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Knowledge of Costs Trade Competition The Trust Company of Georgia an-

Producer Whose Selling pany: W. C. Bradley, president Eagle

After the United States had declared war on Germany, writes Mr. Baker, production and results became the were relegated to a secondary consideration. Goods had to be produced irrespective of costs, and expenses were not watched. Consequently, at the close of the war, manufacturers

EX-DIVIDEND—The sale of a stock with the agreement that the dividend about to be paid shall not go to the buyer; or that the buyer of a stock is not entitled to the next divident paid.—

Money and Investments.

Material which ordinally would be consigned to the scrap heap.

Mr. Kahn ascribes high rents and other rising costs to the fact that capitalists are shifting to borrowers and thus on to ultimate consumers the he close of the war, manufacturers discovered that expenses had increased in far greater proportion than either productive payrolls or production.

Competition Is Keener "Now, however," Mr. Baker continues, "war is no longer making its insatiable demand for goods, but competition has been made all the more keen by our war exhausted industrial capacity, and from now on a knowledge of costs will be the governing factor in success or tailbre."

of costs will be the governing factor in success or tailure.

A cost system, according to Mr. Baker, should first give the final cost of the product and to be used as a basis for establishing the selling price; and, secondly, to give the cost and progress of the product by operation, thereby affording a means of control, and, in the event of any cost being excessive, to show the exact spot where reduction can be made.

"The question of selling price is the key of all business," Mr. Bakers adds. "In order to procure an adequate profit a satisfactory margin between cost and selling price must be maintained, and it become imperative for the manufacturer to have a system operating in his plant that will give him a commercially correct differential cost without volumes of detail and red tape.

Value of Cost Knowledge

production. With due consideration given to producing costs, the price-level agitation does not threaten general business activity, and losses re-

Opening 12:30 p. 1 19:30 10:40 19:58 19:58 10:76 19:88 19:84 10:92 19:90 10:38

Coca-Cola Directors

Key to Successful Four Besides Those Named Are To Be Elected

nounces that the following have been elected directors of the Coca-Cola Com Price Is Based on Correct and Phoenix Mills, Columbus, Ga.; C. Price Is Based on Correct Defferential. Writer Says.
Operates With Courage

Success or failure of manufacturing projects will henceforth primarily be determined by a knowledge of costs, both for producing and selling, according to Ellery A Baker, of the National City Bank. Mr. Baker has set forth his views on the subject in an article written for the August edition of "The Americas," published by the bank.

Investor's Almanac

Questions and Answers this department The throw the light of such Address all queries inclosing stamped addressed envelope, to FINANCIAL EDITOR, The Tribune, 154 Nussau Street, New York City,

it become imperative for the manufacturer to have a system operating in insplant that will give him a commercially correct differential cost without volumes of detail and red tape.

Value of Cost Knowledge

"The man with the knowledge of what his goods are costing him is in the position to name a correct selling price, and that knowledge goes a long way toward giving him the necessary courage to do so irrespective of the rice his competitor is making. The man who allows competition alone to fix his selling price is indeed in a dangerous position. It is not the manufacturer who knows the cost who is feared in competition, it is the man who is guessing at his costs and selling below the market who causes chaos in industry."

The application of a system to determine the cost of a product by operation, and in that way afford a means of control, should, Mr. Baker believes, be garded over a period decided upon, the length of that period depending upon conditions and the nature of the industry. The writer, in this connection, favors monthly profit and loss showings.

Costs, under this classification, are

Answer—No.

Costs, under this classification, are divided as follows by Mr. Baker:
Material—That which goes into and becomes a part of the finished product.
Direct Labor—All labor done directly on the material in order to fashion it into the finished article.
Manufacturing Expenses—All expenses that have to do with keeping the direct labor employed.
Commercial Expense—All expense incurred in order to place and keep the manufactured product on the market.

Bank Opinions on

Business Outlook

Business Outlook

Answer—No.

Question—Two weeks ago I purchased 500 shares of Eelly-Springfield rights at % for share. Friday, August on the New York Stock Exchange. About 1:35 p. na. I received a telegram would have to sell or exercise them. I immediately phoned to him to sell at market, which stood at 7s at that immediately phoned to him to sell at market, which stood at 7s at that immediately phoned to him to sell at market, which stood at 7s at that immediately phoned to him to sell at market, which stood at 7s at that would have to sell or exercise them. I immediately phoned to him to sell at market, which stood at 7s at that would have to sell or exercise them. I immediately phoned to him to sell at market, which stood at 7s at that would not sell. Subsequently and the next day I received a feering that he was offered only 1:46 and did not sell. Subsequently and the next day I received a feering that he was offered only 1:46 and did not sell. Subsequently which seems would you advise? M. F.

Answer—The records of the Stock in the quantity of cloth to be produced being approximately 25,000, 000 yards for male wear.

Suitable bunches of patters are to be agreed upon, and will consist of all woollen and worsted cloths suitable for men's, youths' and boys' wear. Shoddy at market, which stood at 7s at that woollen and worsted cloth at the responsibility of the manufacturer, who will be required to produce cloth with the commentary of the woollen and worsted cloth suitable for men's, youths' and boys' wear. Shoddy at market

Business uncertainty which has been occasioned by general industrial unrest and by the focusing of attention on the prevailing level of prices is described as temporary by the National Bank of Commerce in New York in its monthly discussion of the money market.

'In this respect,' the bank says, there would not seem to be grounds for undue apprehension. The business activity of the country is based on fundamentally sound and essential production. With due consideration given to producing costs, the price-

production. With due consideration given to producing costs, the price-level sgitation does not threaten general business activity, and losses resulting therefrom should fall mainly on speculative profiteers. Furthermore, as the Federal Reserve Board has pointed out, the existing level of prices has not resulted from an undustification of currency."

The National City Bank of Chicago takes a hopeful view of the "longer inture."

"The country," the bank says, "is still doing business upon a pretty conservative basis judged by the favorable record of commercial failures. The probability is that there would be a quick expansion in our foreign commerce if adequate credit facilities were provided for the account of the loreign nations who would be glad to do business who would be glad to do business who would be glad to do business marked or otherwise. The crop situation as far as small grain is concerned is not as favorable as it was a few weeks ago, but is still indicative of a record-breaking corn crop which will be marketed at the highest prices were known."

Chicago Livestock Market

Chicago L

Smooth, \$16.50 a \$17.25; packing sows, rough Atlachigh Valley Coal Sales North River Ins.
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Coupen New Department
George B. Robinson, formerly manpager of the investment department in the Chicago office of George H. Burr & Co., Chicago, is now manager of the investment department in the Chicago office
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Co., has come to New York to open a security buying department for the first three months of the present year
Italy received about \$65,000,000 in imports and exported \$2,000,000 worth of goods. Of the imports, \$35,000,000 of goods. Of the imports, \$35,000,000 of goods.

Poor Taxation Law Blamed by Kahn For Living Prices

Financier Asks Formation of U. S. Salvage Commission

operating in Great Britain, which is three years has saved \$500,000 worth of material which ordinarily would be

thus on to ultimate consumers the burden of their income taxes. They demand a higher rate of interest, said Mr. Kahn, or buy tax exempt municipal, state or national bonds, and thereby diminish the volume of funds avail-

diminish the volume of funds available for private enterprise.

He asserts that proper methods of taxation instead of diminishing the volume of available capital or increasing its cost, would promote thrift. In this connection he suggests the appointment of a non-political commussion comprising business men, vorking men, farmers and economists to study the problem and report its findings to Congress.

Analyzing the effect of the British income tax, Mr. Kahn quotes a British investigator who reported having found that labor receives 57 per cent more

that labor receives 57 per cent more income than before the war; the state, through taxation, 40 per cent more, and capital 3 per cent more. The diminishing value of the dollar, he said, affected the owner of industrially invested capital no less than it did the

civilian purposes, and the present serious position with regard to prices, are unwarranted. From these reserves, which have not been declared surplus, there should be available at once quantities of cloth which will relieve the present difficult position so far as civilian woollen clothas are concerned.

The government must undertake to issue the necessary wool or tops at controlled prices. The tops and yarns should be produced on conversion costs, and contracts for the manufacture of the cloth should be distributed on conversion cost. Clothiers will purchase

German Bank Statement BERLIN, Sept. 1 (By The Associ-

ated Press) .- The statement of the Reichsbank for the week ended August 23 shows the following changes: INCREASES

		Marks.
	Notes	1,478,000
	Advances	3,742,000
ij	Securities	77,106,000
ı	Liabilities	170,358,000
	DECREASES.	
	Coin	2,027,00
a	Gold	1,909,00
i	Treasury certificates	98,453.00
d	Bills discounted	1,564,885,00
١	Investments	9,445,00
į	Circulation	301,060,00
	Deposits	1,461,792,00
	Total gold holdings we 000 marks.	re 1,104,576

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Paul R. Stillman, D. D. S. New Rochelle, N. Y. Shares listed and traded in on the New York Curb. The earnings for the next 12 months for one sold is about 30% on the entire capital stock.

Circular on request. C. J. KELLEY & CO. New York

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IN this week's Market Review are discussed a number of interesting oil and industrial stocks, including-

Sinclair Oil Merritt Oil Salt Creek Producers' Westinghouse Electric U. S. Industrial Alcohol Keystone Tire

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FEDERAL INCOME TAX

Transfer Agent
The Precter & Gamble Company
Cincinnati, Ohie

Capitalization

							Authorized	Outstanding
Common Stock	-	-	*	T	-	*	\$24,000,000	\$19,732,111
6% Preferred Stock (this issue)	# (A)	-0	12				45,750,000	9,866,100
8% Preferred Stock								2,250,000
Serial Gold Notes (two issues)								22,500,000

We call your attention to a letter from Mr. Wm. Cooper Procter, President, which is summer ned as follows, and copies of which may be had upon request: The Company and its subsidiaries are today the largest producers in the United

States of soaps, glycerine, and foodstuffs manufactured from vegetable fats such as cotton-seed and cocoanut oils. Its best known products, Ivory Soap and Crisco, have become household words throughout the country. In case of the liquidation or dissolution of the Company, the 6% Preferred stock will be entitled to preferential payment of the par value of the shares and accrued dividends after payment of par value and accrued dividends on the 8% Preferred

stock and before any distribution is made to the holders of the Common stock. The 6% Preferred stock will not be entitled to voting power except when four quarterly dividends are in arrears. The authorized amount of both issues of Preferred stock of the Company shall not be increased nor shall any additional stock be authorized to be issued with rights equal with or prior to the rights of the 6% Preferred stock. The purpose of this issue is to furnish additional working capital for plants under

construction and contemplated. Since the inception of the business in 1837 it has been conservatively financed and the character of the management has remained unchanged. In recent years the volume of business and net income after payment of dividends on the 8% Preferred stock have been as follows:

Years Ended	Volume of	Net Income after Dividends on 8%	Indicated Earnings per share of
June 30	Business	Preferred Stock	6% Preferred Stack
1913	\$55,913,796	\$3,633,111	\$36.82
1914	65,822,079	4,067,706	41.23
1915	70,790,906	4,655,992	47.19
1916	88,113,506	6,036,053	61.18
1917	128,549,649	6,876,494	69.70
1918	176,920,519	9,539,804	96.69
1919	193,392,044	7.145.532	72.42
The Net Income shown all Preferred stock and making ade War Taxes), depreciation, adver-	quate provision for		

Upon completion of the present financing, the current assets of the companies will exceed all liabilities by \$54,000,000, and net tangible assets will exceed \$68,000,000. After deducting the 8% Preferred stock these figures are equivalent, respectively, to \$525 and \$666 per share of 6% Preferred stock.

Recent quotations of the Common stock indicate an equity over and above the Preferred stock of approximately \$120,000,000. We offer for subscription subject to allotment such of this Stock as may not be

taken up by others through the exercise of rights, when, as and if issued and received by us, and subject to approval of counsel at

100 and accrued dividend

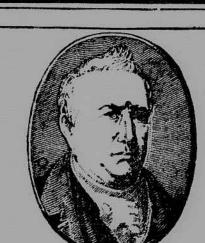
As holders of Common stock are to be given the prior right to subscribe to this issue through the exercise of rights, allotinious cannot be made before September 16. It is expected that stock or temporary certificates will be delivered soon thereafter.

Guaranty Trust Company of New York

The National City Company New York

We do not guarantee the statements and figures presented herein, but they are taken from sources which we believe to be accurate

Dominick & Dominick



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